

ACT 226

H.B. NO. 2409-84

**A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds
for the Pohai Nani Good Samaritan Kauhale Health Care Facility for the
Elderly.**

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the health and welfare of the State's elderly deserve serious consideration, attention, and assistance from the state government. The Pohai Nani Good Samaritan Kauhale, a retirement and health care facility, located in Kaneohe, Oahu, is a private institution which has been providing residential and health care services to the elderly for the past twenty years.

The legislature further finds that due to recent increases in costs of financing improvements to and long-term refinancing costs for the retirement facility, the Evangelical Lutheran Good Samaritan Society, a nonprofit corporation and owner of the facility, has been forced to raise rents and fees by approximately twelve per cent a year in recent years. The current and potential rent increases will cause serious economic hardships on the elderly residents by either pricing health care services at extremely high rates or beyond their ability to pay for the services. The legislature finds it in the public interest that appropriate governmental measures be implemented to ameliorate this situation.

The legislature further finds that chapter 39A, part II, Hawaii Revised Statutes, permits the State to financially assist nonprofit corporations providing health care facilities to the general public by issuing special purpose revenue bonds. The legislature also finds that, since the Evangelical Lutheran Good Samaritan Society is a nonprofit corporation providing health care facilities for the elderly, it would be appropriate and in the public interest to assist this corporation. Financial assistance by issuing special purpose revenue bonds will:

- (1) Result in lower costs of financing improvements to the Pohai Nani Good Samaritan Kauhale and in lower long-term refinancing costs for the Society since the special purpose revenue bonds will bear a lower interest rate than that charged by private lenders; and
- (2) Reduce the need to charge higher rents and fees for elderly residents of Pohai Nani Good Samaritan Kauhale.

The legislature further finds that issuing special purpose revenue bonds for the purpose of financing the cost of making improvements to, and securing additional long-term refinancing for the retirement and health care facility will assist in making health care services available to the State's elderly at affordable prices and is, therefore, in the public interest.

SECTION 2. The department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in the sum of \$3,000,000, or so much thereof as may be necessary, to finance improvement costs, and secure additional refinancing for the Pohai Nani Good Samaritan Kauhale health care facility.

SECTION 3. The legislature directs the department of budget and finance to conduct all reviews and impose all safeguards provided in chapter

39A, part II, Hawaii Revised Statutes, to ensure that the purposes for which the special purpose revenue bonds are authorized are met.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 31, 1984.)